



# Abbreviated accounts Oxford Analytica Limited

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**For the year ended 31 December 2010**



**Company No. 1196703**

## Company information

**Registered office**

5 Alfred Street  
OXFORD  
OX1 4EH

**Directors**

D R Young  
S K Young  
D J Pitt-Watson  
N A Mousavizadeh

**Secretary**

E A Backhouse

**Bankers**

Barclays Bank plc  
11 West Way  
OXFORD  
OX2 0XP

**Solicitors**

Manches LLP  
9400 Garsington Road  
Oxford Business Park  
OXFORD  
OX4 2HN

**Auditor**

Grant Thornton UK LLP  
Chartered Accountants  
Statutory Auditor  
3140 Rowan Place  
John Smith Drive  
Oxford Business Park South  
OXFORD  
OX4 2WB

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## Independent auditor's report to Oxford Analytica Limited under Section 449 of the Companies Act 2006

We have examined the abbreviated accounts which comprise the principal accounting policies, balance sheet and the related notes, together with the financial statements of Oxford Analytica Limited for the year ended 31 December 2010 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to them in a special auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

A handwritten signature in black ink, appearing to read "Grant Thornton UK LLP".

Tracey James (Senior Statutory Auditor)  
For and on behalf of  
GRANT THORNTON UK LLP  
STATUTORY AUDITOR  
CHARTERED ACCOUNTANTS  
OXFORD  
16 March 2011

## Principal accounting policies

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards

The nature of the company's business is that there are significant deferred revenues which have a direct impact on the net current liabilities position of the company. Current liabilities of £2,785,768 include £1,809,246 deferred revenue related to Daily Brief subscriptions paid in advance by clients but which are non-refundable in any event other than the discontinuance of the company. Excluding deferred revenue related to Daily Brief subscriptions, the company is in a net current asset position of £899,906 which facilitates the on-going ability of the company to comfortably meet its liabilities as they fall due.

The directors are aware of the financial position of the company and have carefully considered the prospects for the business over the next few years by preparing budgets. The key assumption in the budget relates to consultancy income, which has historically fluctuated, and the timing of this work is, by its nature, uncertain. The level of consultancy income forecast is consistent with the levels achieved in recent years. The directors have considered this uncertainty and have developed contingency plans should budgeted levels of consultancy income not be achieved in the 12 months from approval of the financial statements.

The directors are satisfied that it is appropriate to prepare the accounts on a going concern basis and are confident of the future success of the business. The accompanying financial statements do not include any adjustments that might be necessary if the company is unable to continue as a going concern.

The principal accounting policies of the company have remained unchanged from the prior period and are set out below.

### **Cash flow statement**

The directors have taken advantage of the exemption in FRS 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

### **Turnover**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding value added tax

### **Subscription income**

Turnover from subscription income is recognised on a straight line basis over the length of the subscription. Deferred income represents the element of subscription income relating to future accounting periods

### **Consultancy income**

In the case of consultancy contracts, turnover reflects the contract activity during the year and represents the proportion of total contract value which costs incurred to date bear to total expected contract costs

### **Conference Income**

Turnover from conferences represents income generated by the Oxford Analytica International Conference held annually at Oxford University and other conferences

### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold property	-	2%
Fixtures and fittings	-	20%
Motor vehicles	-	20%
Computer equipment	-	20%

### **Leasing and hire purchase commitments**

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

### **Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account

### **Deferred taxation**

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

### **Foreign currencies**

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

### **Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

### **Barter transactions**

The company has continued to enter into barter transactions during the period in which Daily Brief services and conference sponsorship are provided in return for sales and marketing related services (including advertising and membership fees).

Barter transactions are recorded as turnover at an amount equal to the estimated fair value of the services received or of the publication provided, depending on which is more clearly evident. A corresponding amount is recorded as a cost of sales when the services received are consumed. The lower of the estimated fair value of the services received or the estimated fair value of the subscription/sponsorship was £154,000 (2009 £154,000).

### **Share-based payments**

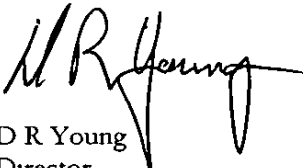
The group issues share options and warrants to certain employees. These payments are measured at fair value at the date of grant, using an appropriate valuation model. The fair value is then expensed on a straight line basis over the vesting period, based on the group's estimate of the number of shares that will eventually vest, updated at each balance sheet date.

## Abbreviated balance sheet

	Note	2010 £	2009 £
<b>Fixed assets</b>	1		
Tangible assets		<u>529,989</u>	<u>593,770</u>
<b>Current assets</b>			
Debtors		1,629,442	1,178,121
Cash at bank and in hand		<u>246,986</u>	<u>222,345</u>
		<u>1,876,428</u>	<u>1,400,466</u>
<b>Creditors: amounts falling due within one year</b>		<u>2,875,716</u>	<u>2,372,660</u>
<b>Net current liabilities</b>		<u>(999,288)</u>	<u>(972,194)</u>
<b>Total assets less current liabilities</b>		<u>(469,299)</u>	<u>(378,424)</u>
<b>Creditors: amounts falling due after more than one year</b>		<u>199,026</u>	<u>243,197</u>
		<u>(668,325)</u>	<u>(621,621)</u>
<b>Capital and reserves</b>			
Called-up equity share capital	3	100	100
Other reserves		21,656	-
Profit and loss account		<u>(690,081)</u>	<u>(621,721)</u>
<b>Deficit</b>		<u>(668,325)</u>	<u>(621,621)</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These abbreviated accounts were approved by the board and authorised for issue on 16 March 2011, and are signed on their behalf by

  
D R Young  
Director

Company Registration Number 1196703

**The accompanying accounting policies and notes form part of these abbreviated accounts.**



## Notes to the abbreviated accounts

### **1 Fixed assets**

	<b>Tangible Assets £</b>
Cost	
At 1 January 2010	<b>1,132,621</b>
Additions	<b>25,882</b>
Disposals	<b>(259,882)</b>
At 31 December 2010	<b><u>898,621</u></b>
Depreciation	
At 1 January 2010	<b>538,851</b>
Charge for year	<b>87,513</b>
On disposals	<b>(257,732)</b>
At 31 December 2010	<b><u>368,632</u></b>
Net book value	
At 31 December 2010	<b><u>529,989</u></b>
At 31 December 2009	<b><u>593,770</u></b>

### **2 Related party transactions**

At 31 December 2010 Oxford Analytica Inc, a group company, had guaranteed the bank borrowings of Oxford Analytica Limited up to a maximum of £320,000 (2009 £320,000)

The company has taken advantage of the exemption available under FRS 8 not to disclose transactions with group undertakings

At 31 December 2010 and 31 December 2009 bank loans were secured against property of two directors, D R Young and S K Young, valued at £650,000 and life insurance policies of a director and an officer, D R Young and E A Backhouse respectively

### **3 Share capital**

Authorised share capital

	<b>2010 £</b>	<b>2009 £</b>
100 Ordinary shares of £1 each	<b><u>100</u></b>	<b><u>100</u></b>

Allotted, called up and fully paid

	<b>2010 No</b>	<b>£</b>	<b>2009 No</b>	<b>£</b>
100 Ordinary shares of £1 each	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**4 Ultimate parent company**

The directors consider that the ultimate parent undertaking of this company is The Oxford Analytica International Group Inc incorporated in the state of Delaware, USA

Dr D R Young, a director of the company, is this company's controlling related party by virtue of his majority shareholding in The Oxford Analytica International Group Inc

The largest group of undertakings for which group accounts have been drawn up is that headed by The Oxford Analytica International Group Inc, incorporated in the state of Delaware, USA